

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Village Grain Bank Scheme - Establishment of 1628 Village Grain Banks in chronically food scarce areas for the year 2009-10 - Orders – Issued.

CONSUMER AFFAIRS, FOOD & CIVIL SUPPLIES (CS.I) DEPARTMENT

G.O.Ms.No.13

Dated 17.03.2010.

Read the following:

1. From the under Secretary to Govt. of India, Ministry of Consumer Affairs, Food and Public Distribution, Govt. of India Lr.No.2/AndhraPradesh/2006-BP.II, dated 16.11.2006.
2. From the Director (BP) , Ministry of Consumer Affairs, Food and Public Distribution, Govt. of India Lr.No.6-1/2005-BP.II, (Vol.III) dated 23.1.2008
3. CCS Ref. No Wel I(1)/ 8399/ 2006 dtd 2.2.2009
4. CEO, SERP, Hyderabad DO Lr No 71/ SERP/ VGB/ 2006 dtd 30.3.2009.
5. CCS Ref. No Wel I(1)/ 2134/ 2009 dtd 17.4.2009
6. Under Secy to GOI, Lr No 2/AP / GB/ 2006- BP .II , Miny. of CA ,F &PD , Dept ., of F&PD , New Delhi . Dtd 23.10.2009
7. Under Secy to GOI, Lr No 2/AP / GB/ 2006- BP .II , Miny. of CA ,F &PD , Dept ., of F&PD , New Delhi . Dtd 23.10.2009
8. CCS Ref. No Wel I(1)/ 2134/ 2009 dtd 9.11.2009
9. CEO, SERP, Hyderabad DO Lr No 71/ SERP/ VGB/ 2006 dtd 30.12.2009

ORDER:

In the letter 2nd read above, the Government of India has communicated the revised Village Grain Bank Scheme, according to which various food based and employment generating schemes have made significant improvement in the food security situation of the country, yet access to food remains a problem in some chronically food scarce areas like the drought prone areas, the tribal areas, hot and cold deserts and the far flung inaccessible hilly areas. In seeking to address this problem, it is felt necessary to enhance accessibility of food grains to marginalised communities, in chronically food scarce and vulnerable areas by setting up Village Grain Banks.

Objectives of the scheme:

2.1 The main objective of the scheme is to provide safeguard against starvation during the period of natural calamity or during the lean season when the marginalized food insecure households do not have sufficient resources to purchase the rations. Such people in need of food grains will be able to borrow food grains from Village Grain Banks set up within the village.

2.2 In order to empower the people to be able to take their own decisions, the scheme aims at community participation, especially of women. It is also proposed to tie the scheme with the Public Distribution System to ensure recovery of food grains. Broadly, the objectives of the scheme are, to set up Grain Banks managed by the stakeholders themselves to ensure sustainable household food security, to mitigate drought induced migration and food shortages by making food grains available within the village, to involve Non Governmental Organizations of repute to train the

stakeholders in participation of management of the scheme and to facilitate women's equal access to resources with a view to empowering them.

2.3 In the long term, it is hoped that such empowerment of the people will enable them to participate in the implementation of all development schemes meant for them, particularly the Targeted Public Distribution System, wherein they may wish to act as a Fair Price Shop for distribution of food grains to their members.

Location and formation of the banks

3.1 The Grain Banks in Andhra Pradesh are to be set up in food scarce areas like the drought prone area, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc. These villages are to be notified by the State Government.

3.2 Instructions have been issued that about 30-40 Below Poverty Line / Antyodaya Anna Yojana families may form a grain bank. If required one village may have more than one grain bank. One quintal of food grains is to be provided per family as one time grant by Government of India. This is likely to meet about 3 months' requirement of grains for an average family of five persons. Existing groups of villagers engaged in Self Help / Community Development have to be associated for implementing the scheme. Each group will establish an Executive Committee of 3-5 persons for effective participation & management. Involvement of at least one woman in the Committee would be essential.

Training

4.1 It has been instructed to involve Non Governmental Organizations of repute or conversant Government functionaries to provide training to the executive members of the grain bank at the nearest available location. The Non Governmental organizations with the groups set up by them should be associated for at least one year for hand holding. This will facilitate the process of group cohesiveness and develop institutional capacity of the group in terms of developing leadership, task distribution, setting rules for lending and repayments, account keeping, decision making process for purchasing commodities, etc. Such Non Governmental Organizations will be paid @ Rs.1400/- per bank as one time grant for training and supervision.

Storage

5 Storage of food grains would be done in Bins or rural godowns. The Gram Panchayat will assist the Executive Committee of the Grain bank to get storage structure built under the S.G.R.Y. Programme. A one-time grant of Rs.6000/- for storage, purchase of weights and scales etc., has also been provided for each grain bank.

Repayment procedure

6. To ensure transparency in lending and repayment transactions, the Executive Committee will fix days for the same and invite all members to attend the meetings. The scheme provides for flexibility of decisions to be taken depending on the local conditions and requirements. The quantity to be lent and period of repayment will be decided by the group themselves. The scheme provides for repayment in grain, within a period of one year. To ensure recovery of grains lent, the scheme may be tied with the entitlements of the members under the Targeted Public Distribution System or any other entitlements under any of the schemes. The Executive Committee may decide to disqualify chronic defaulters from the membership. In case no transaction takes place within one year, the Executive Committee may consider exchanging the grain of the bank with their Targeted Public

Distribution System entitlements or any other entitlements as the case may be in order to prevent rotting of grains.

Organizations eligible for assistance

7 Village Panchayat/Gram Sabha, Self Help Groups or Non Governmental Organisation with proven track record are eligible to set up a Grain Bank in calamity-prone, food scarce village or hamlet as identified by the State Government.

Monitoring and Evaluation

8. The monitoring and administrative cost @ Rs.3000/- per Grain Bank will be provided to the concerned organization and through the organization to the Executive Committee of the grain bank. The Non Governmental Organizations/Self Help Group/Panchayat in charge of setting up and supervising the running of the grain bank in the field, will be required to inform the District Collector about the progress on a monthly basis in the prescribed format. Department of Consumer Affairs, Food and Civil Supplies would review the implementation of the scheme at the State level and send quarterly progress reports to the Government of India. Further release of funds under the scheme would be tied to the progress reported and amount utilized.

Funding Pattern:

9.1 The Scheme has two components, viz., food component and cash component. Under the food component, each grain bank will store one quintal of food grains (Rice) per family for about 30 to 40 Below Poverty Line/Antyodaya Anna Yojana families that will be given as one time grant by the Central Government. Food grains will be supplied by the Food Corporation of India to the concerned on free of cost basis. The Ministry of Consumer Affairs, Food and Public Distribution, Government of India will make direct payment to the Food Corporation of India for the allocated food grains on certification of actual off take by the State Government.

9.2 The cash component includes cost of weights and measures, storage bins/godowns, training, transportation, administrative and monitoring expenses etc., which would be released by the Central Government to the State Government for further payment to the Gram Sabha / Gram Panchayat, Self Help Group or the Non Governmental Organizations as the case may be for setting up and running of the grain bank.

9.3 Out of the total cost, the cost of food grains will be released directly to the Food Corporation of India, on receipt of actual off-take by the State Government. Since transportation cost is being shared at the rate of 50:50, Rs.12,200 comprising the cost of storage, training, monitoring and transportation charges would be released by Centre to the State Government and the State Project Director, APRPRP & Chief Executive Officer, Society for Elimination of Rural Poverty has to provide for Rs.1800 per bank for sharing the transportation charges.

9.4 . The estimated cost of setting up one grain bank is as follows:

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|----|--|---|
| a) | Cost of food grains @ of 1 quintal per family for average 40 families per grain bank | 40 qtls. of food grains at Rs.13,761.50 per MT (based on the average present economic cost of grains). i.e. Rs.55,046/- |
| b) | Transportation cost @ Rs.90/- per quintal | 90 x 40 = Rs.3,600/- (to be equally shared by the Central & the Agency concerned). |

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|----|---|-----------------------|
| c) | Training expenses for trainers and trainees | Rs.1400/- per bank |
| d) | Storage weights and scales etc. | Rs.6000/- per bank |
| e) | Monitoring and Administrative Cost | Rs.3000/- per bank |
| | Total | Rs.69,046 /- per bank |

10. Based on the above guidelines, proposals have been called for from the State Project Director, APRPRP & Chief Executive Officer, Society for Elimination of Rural Poverty, Hyderabad, after receipt of the consolidated proposals from the State Project Director, APRPRP & Chief Executive Officer, Society for Elimination of Rural Poverty, Hyderabad and the same was submitted to the Government of India to accord sanction for the year 2009-10 for establishment of 8108 Village Grain Banks in 4784 villages in the State of Andhra Pradesh.

11. In the reference 6th and 7th read above, the Government of India have issued orders sanctioning food and cash components for establishment of 1,628 Grain Banks in the State of Andhra Pradesh under Village Grain Bank Scheme under Plan Head for the financial year 2009-10 as per the following breakup:

a) Food Component: 6512 Tons of rice for 1628 Village Grain Banks @ 1 quintal of rice per family for average of 40 families per Grain Bank, @ Rs 18937.10 per Mt (based on the present economic cost of rice) after adjusting un lifted of 1684.60 tons of rice(@ Rs 12,862/- per ton) out of 14,792 tons sanctioned to the Government of AP for establishment of 3743 Grain Banks during the year 2006-07 for which advance payment was made by the GOI to FCI .

b) Cash Component: An amount of Rs.1,91,03,530/- (Rupees one crore ninety one lakh three thousand five hundred and thirty only) was sanctioned to Government of Andhra Pradesh for incurring expenditure towards :-

| | | |
|--|---|----------------------------------|
| i. Storage/weights & scales | : | Rs. 6,000.00 |
| ii. Training | : | Rs. 1,400.00 |
| iii. Monitoring & Administrative Exp | : | Rs. 3,000.00 |
| iv. 50% of the transportation cost @Rs.90/- per quintal | : | Rs. 1,800.00 |
| | | ----- |
| Total | : | Rs.12,200.00 (per Grain Bank) |

Further, it is informed by the GOI, since Rs. 7,58,070/- remains unutilized with the State Government out of the total sanctioned amount of Rs. 4,34,45,167 for establishing 3743 Village Grain Banks during the year 2006-07, the same is being adjusted from the present sanctioned amount of Rs 1,98,61,600/- . Thus GOI have sanctioned an amount of Rs 1,91,03,530 /-only to Government of AP for establishment of 1628 Village Grain Banks.

Regarding 50% of the average transportation cost, (i.e. Rs.90/- per quintal) shall be borne by the Chief Executive Officer, Society for Elimination of Rural Poverty as agreed by him vide letter No. 67/C.E.O.Peshi/S.E.R.P/2005, dated 30.9.2005.

12 The Chief Executive Officer, SERP and State Project Director, APRPRP, Hyderabad vide reference 9th read above, has selected 1233 food scarce villages as per the norms and guidelines prescribed by the Government of India under the revised Village Grain Bank Scheme in 12 Districts of Adilabad, Warangal, Nizamabad, Khammam, Kadapa, Vizianagaram, Anantapur, Medak, Nalgonda, Karmnagar, Chittoor, Ranga

Reddy for establishment of 1,628 Village Grain Banks for the year 2009-10 as desired by the GOI .

13. After careful examination of the matter, Government hereby orders that

1. The District Collectors/ Project Officers of DRDA/ITDA concerned, under the supervision of the Chief Executive Officer, SERP, shall ensure establishment of the Grain Banks as indicated in Annexure.II, with training, storage, administrative and monitoring provisions. The selection of beneficiaries, formation of Executive Committees and the selection of agencies, who will establish the Grain Banks etc. shall also be worked out by the District Collectors in consultation with Project Officers of DRDA/ITDA, as per the norms and guidelines prescribed by the Government of India under the revised Village Grain Bank Scheme .
2. The Chief Executive Officer, SERP & State Project Director, APRPRP, Hyderabad shall ensure 10% of the food and cash components will be incurred for the benefit of ST people and the balance 90% for the benefit of people other than ST.
- 3 The Chief Executive Officer, SERP & State Project Director, APRPRP, Hyderabad shall issue further necessary guidelines to the District Collectors and other officers concerned for successful implementation of the scheme and will also furnish the commissioning as well as utilization certificates to the Government.
- 4 The District Collectors/ Project Officers of DRDA/ITDA concerned, under the supervision of the Chief Executive Officer, SERP, shall ensure establishment of the Grain Banks as per the approved norms and guidelines under the scheme within 3 months. The validity of lifting will be within six months from the date of issue of sanction vide reference 6th read above.

14. The General Manager, Food Corporation of India, Hyderabad is requested to issue necessary instructions to the Area Managers of the FCI Depots concerned to release the quantity of rice on free of cost basis to the Grain Banks concerned as one time grant, for which A.P. State Civil Supplies Corporation Limited, Hyderabad, is the transporting agency

15. The VC & Managing Director, A.P. State Civil Supplies Corporation Limited, Hyderabad is requested to lift the rice from the FCI Depot concerned and transport to the concerned villages, under the Grain Bank Scheme, as per Annexure.I & II.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SANJAY JAJU,
EX-OFFICIO SECRETARY TO GOVERNMENT

To

All the Collectors in the State

The Chief Executive Officer & State Project Director,
Society for Elimination of Rural Poverty, Hyderabad.

All the Project Directors of DRDA/ITDA.

The General Manager, Food Corporation of India, Hyderabad

The VC & Managing Director, A.P. State Civil Supplies Corporation Ltd., Hyd.

The VC & Managing Director, Girijan Cooperative Corporation,. Hyderabad.

The Principal Secretary, Panchayat Raj & Rural Development, Hyderabad.

The Commissioner, Panchayat Raj, Hyderabad.

The Commissioner, Rural Development Dept, Hyderabad.

The Commissioner, Tribal Welfare Dept., Hyderabad.

Copy to

The Addl. Secretary to Chief Minister.

All District Supply Officers.

All District Managers of G.C.C.

PSs to Ministers for Agriculture, Horticulture, Food & Civil Supplies/ Tribal Welfare/ PR & RD Dept.

//Forwarded by Order//

SECTION OFFICER.